

## TexasOnline 2.0 BUSINESS MODEL FORECAST

### Appendix E.4 Instructions for Completing Portal Enhancements Worksheets

*This worksheet is for information purposes only.*

#### General Instructions for E.4-Portal Enhancements Worksheets

**IMPORTANT INSTRUCTIONS:** Completion of Appendix E.4-Portal Enhancements is a mandatory requirement of the RFO. A full and fair evaluation of the Vendor Offer cannot be completed without full and complete information provided in all worksheets.

For the following worksheets, the Vendor must provide its best estimate on revenues, costs, and capital investments that are consistent with, and supported by, plans in its Offer.

*Worksheet E.4(a)-Content Management System*

*Worksheet E.4(b)-Internet and Intranet Web Templates*

*Worksheet E.4(c)-Internet and Intranet Tools and Features*

*Worksheet E.4(d)-Improved Navigation and Search Features*

*Worksheet E.4-Portal Enhancements Summary:* A summary of the four worksheets representing the total financial estimates for Portal Enhancements identified in Section 2.4.2 of the RFO.

*Worksheet E.4-Key Service Metrics Summary:* Provides an overview of the key factors driving the Statement of Operations for Portal Enhancements. The Vendor must submit estimates for the number of new applications and new services (both revenue- and non-revenue-generating) planned to be developed, enabled, and launched throughout the contract period. This forecast is separate and incremental to the Key Service Metrics provided in Worksheet E3(c)-Key Metrics for Core Requirements. The Vendor must also provide an estimate of the total number of new page views and transactions generated through Portal Enhancements.

The information provided in all worksheets will be combined with other worksheets for evaluation purposes. It is critical that the Vendor does not change the format of this worksheet. Information must be submitted exactly as requested for the Vendor Offer to be considered in compliance.

**ESTIMATES ARE BASED IN FISCAL YEARS.** It is important to note that estimates must follow the State's fiscal year budget cycle, which for fiscal year 2010 (FY2010) begins September 1, 2009. Since the TexasOnline 2.0 contract begins January 1, 2010, the first estimates for FY2010 (Column C) cover the 8-month period from January 1, 2010 through August 31, 2010. From then on, the annual estimates will coincide with the State's fiscal year budget cycle until August 31, 2016. Although the contract allows for two 1-year optional periods, the worksheet only requires inputs until the end of FY2016.

### Specific Instructions for E.4 Worksheets

**Revenues (Lines 6-7):** The Vendor must submit the projected revenues tied directly to Portal Enhancements. For each Portal Enhancement worksheet, provide the expected transaction-based revenues and/or service (fee-based) revenues for each of the fiscal years identified. Revenues from Portal Enhancements are incremental and separate from the revenues identified in Section 2.4.1-Core Requirements. Revenues associated with one or more Portal Enhancement should be indicated clearly in the Financial Plan's narrative response. Do not include the revenues for Strategic Requirements or Opportunities for Distinction, as these are accounted for separately in Worksheets E.5 and E.6, respectively.

#### **Total All Costs (Line 39)**

The Total All Costs line provides a summary of all cost estimates supported by the Vendor plans for a specific Portal Enhancement. Total All Costs is the addition of four components: Variable Costs, 20% State Share of Total Revenue, Labor/Non-Labor Operations Costs, and Depreciation Costs. For costs that are shared across one or more Portal Enhancement, please indicate this clearly in the Financial Plan response.

**Note:** The First Renewal Agreement (p.5) in Appendix F.6(c) defines "costs" as "all costs, expenditures, and expenses either related to capitalized assets or operations as further defined and computed by Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB)."

Do not include the costs expected to be incurred for Strategic Requirements or Opportunities for Distinction. These must be accounted for separately.

*Following are additional instructions for completing cost estimates for Worksheet E.4.*

**Variable Costs (Lines 11-14):** Expenses that vary in direct proportion to the volume of business (e.g., number of transactions). Variable Costs may include fees paid for credit card processing, etc. For other variable costs not defined in the worksheet, input the estimate in the "Other" field (Line 14) with a clear description also provided in the Financial Plan.

**20% State Share of Total Revenue (Line 17):** The current business model (base case) requires TexasOnline to pay a 20 percent share on total revenues to the State (minus credit card fees). This expense is calculated automatically in the worksheet.

**Total Labor/Operations Costs (Line 25/Line 34):** The sum of all costs for Labor and Non-Labor Operations costs.

- **Labor Costs (Lines 20-24):** Provide salary and wage expenses (in dollars) for personnel organized along the five departments as defined in E.1.

- **Non-Labor Operations Costs (Lines 28-33):** Provide estimates for key operational cost areas that are not related to labor.

- Data Center (Line 28): As covered in Section 2.6.4, the Data Center Operations for TexasOnline 2.0 will be provided as a service by Team for Texas. To understand the scope and estimate costs for the Data Center operations, please refer to F.5-Data Center Services Reference Materials, for additional information.

- TEX-AN (Line 29): TexasOnline 2.0 is required to purchase its telecommunications services from the TEX-AN NG contracts. As of the date of this publication, the TEX-AN NG contracts are not available for Vendors to use in their projections. The Vendor will use the actual TexasOnline network services cost from fiscal year 2008, which was \$174,861, as the cost for each year of the Initial Term of the Agreement. The TEX-AN cost is for information purposes only and does not reflect any forward-looking description of anticipated usage.

- Software Licensing (Line 30): Represents the installation and ongoing maintenance license fees for all general management and application-specific software. This does not include the cost of systems software and other software provided by the Data Center Schedule (Appendix F.5). Software Licensing costs associated with Capital Investments (such as for Infrastructure or New Applications) should not be included in this line.

- Non-Data Center Hardware (Line 31): The Vendor may invest in computer hardware and other equipment not within the scope of the Data Center operations.

- Marketing/Promotions (Line 32): The Vendor may incur costs related to developing communications collateral, branding, promotional materials, advertising, and other marketing services that are required by the plans to reach new and existing customers.

- Other Operational Costs (Line 33): Any additional non-labor costs, not identified above, should be input in this cost area. The Vendor must provide an explanation of these costs in the Financial Plan (RFO Section 3.6).

**Depreciation (Line 36):** The Vendor must estimate the depreciation expense related to the investment in Capital Assets (Lines 43-44) in accordance with GAAP.

**Capital Investment (Lines 43-44):** The Vendor must provide an estimate of planned expenditures throughout the base contract period for Capital Investment associated with the specific Portal Enhancement. Capital Investment refers to money invested which is used to purchase fixed assets or in the development of a new application or service, rather than used to cover the day-to-day operating expenses. For the purposes of this Statement of Operations, Capital Investments are categorized as either investments in Internal Infrastructure or New Application Development. Capital Investments that are shared across one or more Portal Enhancements must be indicated clearly in the narrative response within the Financial Plan.

The First Renewal Agreement (p.5) in Appendix F.6(c) defines "Capital Assets" as "long-term assets with a depreciable life of at least one year and a cost of at least \$5,000, generally including assets such as land, buildings, fixtures, and equipment."

Do not include the Capital Investments for Core and Strategic Requirements or Opportunities for Distinction. These must be accounted for separately in Worksheets E.5 and E.6, respectively.

**Available Contribution for Investment Recovery and Net Share (Line 47):** The net amount (surplus or deficit) that Total Revenues exceed Total Costs and Capital Investments on an annual basis. The net contribution surplus is applied toward accrued Capital Investments by the Vendor until full recovery of investments is reached. Once the breakeven point for the Vendor investments is reached, the Net Contribution dollars are available for a Net Share (50/50) distribution to the State and Vendor.

# TexasOnline 2.0 BUSINESS MODEL FORECAST

## E.4 Portal Enhancements (Summary)

### Statement of Operations

#### Revenues

Transaction Revenue  
Service Revenue

#### Total Revenues

FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

#### Variable Costs

Credit Card Fees  
ePay/Transaction Processing  
Call Center Support  
Other

#### Total Variable Costs

-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

#### 20% State Share of Total Revenue

- - - - - - -

#### Labor Costs

Management (General & Administrative)  
Operations  
Product Development/Tech/Engineering  
Marketing/Outreach  
Help Desk/Customer Support

#### Total Labor Costs

-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

#### Non-Labor Operations Costs

Data Center  
Texan Telecommunications  
Software Licensing  
Non-Data Center Hardware  
Marketing/Promotion  
Other

#### Total Non-Labor Operations Costs

-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

#### Depreciation Costs

-	-	-	-	-	-	-
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#### Total All Costs

-	-	-	-	-	-	-
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#### Capital Investment

New Application Development  
Internal Infrastructure

#### Total Capital Investment

-	-	-	-	-	-	-
-	-	-	-	-	-	-

#### Available Contribution for Investment Recovery & Net Share

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## TexasOnline 2.0 BUSINESS MODEL FORECAST

### E.4 Portal Enhancements

#### KEY SERVICE METRICS

New Applications  
 New Revenue Generating Services  
 Non-Revenue Generating Services  
 Total Page Views  
 Number of Transactions

FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016

# TexasOnline 2.0 BUSINESS MODEL FORECAST Content Management System (2.4.2.1)

## Statement of Operations

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
<b>Revenues</b>							
Transaction Revenue							
Service Revenue							
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Variable Costs</b>							
Credit Card Fees							
ePay/Transaction Processing							
Call Center Support							
Other							
<b>Total Variable Costs</b>	-	-	-	-	-	-	-
<b>20% State Share of Total Revenue</b>	-	-	-	-	-	-	-
<b>Labor Costs</b>							
Management (General & Administrative)							
Operations							
Product Development/Tech/Engineering							
Marketing/Outreach							
Help Desk/Customer Support							
<b>Total Labor Costs</b>	-	-	-	-	-	-	-
<b>Non-Labor Operations Costs</b>							
Data Center							
Texan Telecommunications							
Software Licensing							
Non-Data Center Hardware							
Marketing/Promotion							
Other							
<b>Total Non-Labor Operations Costs</b>	-	-	-	-	-	-	-
<b>Depreciation Costs</b>							
<b>Total All Costs</b>	-	-	-	-	-	-	-
<b>Capital Investment</b>							
New Application Development							
Internal Infrastructure							
<b>Total Capital Investment</b>	-	-	-	-	-	-	-
<b>Available Contribution for Investment Recovery &amp; Net Share</b>	-	-	-	-	-	-	-

# TexasOnline 2.0 BUSINESS MODEL FORECAST Internet and Intranet Web Templates (2.4.2.2)

## Statement of Operations

### Revenues

Transaction Revenue  
Service Revenue

#### Total Revenues

FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
-	-	-	-	-	-	-

### Variable Costs

Credit Card Fees  
ePay/Transaction Processing  
Call Center Support  
Other

#### Total Variable Costs

-	-	-	-	-	-	-

### 20% State Share of Total Revenue

-	-	-	-	-	-	-
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### Labor Costs

Management (General & Administrative)  
Operations  
Product Development/Tech/Engineering  
Marketing/Outreach  
Help Desk/Customer Support

#### Total Labor Costs

-	-	-	-	-	-	-

### Non-Labor Operations Costs

Data Center  
Texan Telecommunications  
Software Licensing  
Non-Data Center Hardware  
Marketing/Promotion  
Other

#### Total Non-Labor Operations Costs

-	-	-	-	-	-	-

### Depreciation Costs

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### Total All Costs

-	-	-	-	-	-	-
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### Capital Investment

New Application Development  
Internal Infrastructure

#### Total Capital Investment

-	-	-	-	-	-	-

### Available Contribution for Investment Recovery & Net Share

-	-	-	-	-	-	-
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# TexasOnline 2.0 BUSINESS MODEL FORECAST Intranet and Internet Tools and Features (2.4.2.3)

## Statement of Operations

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
<b>Revenues</b>							
Transaction Revenue							
Service Revenue							
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Variable Costs</b>							
Credit Card Fees							
ePay/Transaction Processing							
Call Center Support							
Other							
<b>Total Variable Costs</b>	-	-	-	-	-	-	-
<b>20% State Share of Total Revenue</b>	-	-	-	-	-	-	-
<b>Labor Costs</b>							
Management (General & Administrative)							
Operations							
Product Development/Tech/Engineering							
Marketing/Outreach							
Help Desk/Customer Support							
<b>Total Labor Costs</b>	-	-	-	-	-	-	-
<b>Non-Labor Operations Costs</b>							
Data Center							
Texan Telecommunications							
Software Licensing							
Non-Data Center Hardware							
Marketing/Promotion							
Other							
<b>Total Non-Labor Operations Costs</b>	-	-	-	-	-	-	-
<b>Depreciation Costs</b>							
<b>Total All Costs</b>	-	-	-	-	-	-	-
<b>Capital Investment</b>							
New Application Development							
Internal Infrastructure							
<b>Total Capital Investment</b>	-	-	-	-	-	-	-
<b>Available Contribution for Investment Recovery &amp; Net Share</b>	-	-	-	-	-	-	-



# **TexasOnline 2.0 BUSINESS MODEL FORECAST** **Improved Navigation and Search Features (2.4.2.4)**

## **Statement of Operations**

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
<b>Revenues</b>							
Transaction Revenue							
Service Revenue							
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Variable Costs</b>							
Credit Card Fees							
ePay/Transaction Processing							
Call Center Support							
Other							
<b>Total Variable Costs</b>	-	-	-	-	-	-	-
<b>20% State Share of Total Revenue</b>	-	-	-	-	-	-	-
<b>Labor Costs</b>							
Management (General & Administrative)							
Operations							
Product Development/Tech/Engineering							
Marketing/Outreach							
Help Desk/Customer Support							
<b>Total Labor Costs</b>	-	-	-	-	-	-	-
<b>Non-Labor Operations Costs</b>							
Data Center							
Texas Telecommunications							
Software Licensing							
Non-Data Center Hardware							
Marketing/Promotion							
Other							
<b>Total Non-Labor Operations Costs</b>	-	-	-	-	-	-	-
<b>Depreciation Costs</b>							
<b>Total All Costs</b>	-	-	-	-	-	-	-
<b>Capital Investment</b>							
New Application Development							
Internal Infrastructure							
<b>Total Capital Investment</b>	-	-	-	-	-	-	-
<b>Available Contribution for Investment Recovery &amp; Net Share</b>	-	-	-	-	-	-	-